

Bonito Capital Corp.
(a subsidiary of Elgin Mining Inc.)

3 October 2014

Ms. Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

Dear Ms. Beaulieu

RE: Monthly Report for August 2014
Ulu Gold Project, Nunavut, License Number 2BM-ULU0914

A site and a geotechnical inspection were completed on Aug 20th by Alvin Tong and George Friesen. There were no significant issues observed. The geotechnical report will be issued by mid-October.

The site was occupied from August 22nd to the end of the month by Discovery Mining Services and WPC Resources personnel. In addition to operating the camp DMS conducted the following:

- Removed many of the empty barrels from site,
- Relocated barrels of contaminated soils from the mine storage pad to the lined barrel storage next to the camp fuel farm, and
- Placed all barrels containing fuel and lubricants in the lined barrel storage next the camp fuel farm.

WPC Resources were on site conducting a geological assessment of the Ulu property by carrying out field investigations, reviewing technical information, and collecting soil and chip samples.

Due to the short duration of activity and limited number of persons on site the sewage treatment plant was not used during this period. Pacto toilets were brought in and the graywater was contained in the retention pond.

There was 6,900 litres of domestic water consumed and about 6,900 litres of graywater produced.

If you have any questions regarding the above, please do not hesitate to contact me.

Sincerely,
Bonito Capital Corp.

George Friesen

2BM-ULU0914

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Elgin Mining Inc.

Manager of Technical Services

CC: Patrick Downey, CEO of Elgin Mining Inc.